

Consumer Alert for August 2007

Make sure your “free trial offer” really is free!

Have you received solicitations in the mail offering you a free sample product? Have you ever been offered a free magazine as you’ve checked out of a store? Have you ordered a product over the phone and been asked if you’d like a free trial membership entitling you to products or services at a discount? These are examples of a “free trial offer,” a common marketing tool to encourage consumers to try a new product or service. While we all like to get something for free, the risk with these offers is that if you don’t cancel within the trial period, you may incur expensive monthly payments. For an unwary consumer, the “free” offer can turn into a costly purchase.

Alaska law regulates free trial offers so that consumers can make informed decisions about whether to accept such offers. We urge you to be familiar with the law so that you can be sure your “free trial offer” really is free.

Under AS 45.45.920, a business may not advertise a free trial offer unless it clearly states all important terms and conditions including:

- √ Your right to return the product or cancel the service at any time during the free trial period without any further obligation to the business.
- √ Any obligation to buy a minimum amount of product or service after the free trial period ends.
- √ A full description of all charges that will be imposed after the free trial period ends. This includes shipping and handling charges.
- √ Any other obligations that will be imposed if you use the product or service during the free trial offer.
- √ Your right within thirty (30) days after the end of the free trial period to return the product or cancel the service for a full refund of the charges, or a partial refund for the unused portion of the product or service.

Under Alaska law, before any free trial offer can begin, a business is required to get your “express verifiable consent.” Express verifiable consent means that a business must get a clear, explicit response from you that you agree to the offer and its terms and conditions, and that the business can substantiate your consent, either through a written document or audio recording.

With free trial offers it is especially important to know and understand the cancellation policy. You may need to take additional steps to end the free trial offer to avoid charges. Remember that legitimate businesses will give you all the details on its free trial offer up front and never insist that you act immediately to take advantage of its offer.

If you feel that you have been the target of a free trial offer that does not comply with Alaska law, or if you've been the victim of any unfair or deceptive practice, we encourage you to file a complaint. To request a complaint form, contact the Consumer Protection Unit, Alaska Department of Law at (907) 269-5200 or toll free at 1-888-576-2529. You can also download a consumer complaint form at: www.law.state.ak.us/consumer.